

# Memorandum

To: Chairman and Commissioners

Date: October 28, 2002

From: Diane C. Eidam

File No: Reference #4.6  
Tab 68  
ACTION

Ref: ANNUAL \$4.25 MILLION ALLOCATION SET-ASIDE FOR THE PUBLIC UTILITY COMMISSION RAILROAD GRADE CROSSING PROTECTION MAINTENANCE PROGRAM FOR FY 2003-04 RESOLUTION G-02-

## Issue:

Should the Commission support the Public Utilities Commission's (PUC) request (Attachment A) to increase the \$1 million allocation set-aside in the upcoming FY 2003-04 State Budget to a \$4.25 million allocation set-aside for its Railroad Grade Crossing Maintenance Program, as permitted by Public Utilities Code Section 1231.1?

## Recommendation:

If the Commission considers the request warranted, then staff recommends that \$4.25 million be delineated in the proposed FY 2003-04 Budget for the Railroad Grade Crossing Maintenance Program by adopting the attached resolution (Attachment B). This recommendation is justified because:

- as a matter of safety, it is important to maintain grade crossing protection devices at the interface of road/rail transportation systems; and
- the PUC has provided information that the annual claim amount will be near or at the requested annual \$4.25 million set-aside. Over the last five calendar years (1997-2001), claims have ranged from a low of \$4.25 million to \$4.49 million. The claims in calendar year 2001 were about \$4.35 million and the PUC expects the calendar year 2002 claims to be at or near the requested \$4.25 million for FY 2003-04. The PUC adopted its own resolution in which the funding level of the set aside in the proposed FY 2003-04 Budget is \$4.25 million.

## Background:

Safety is the primary reason for the Railroad Grade Crossing Maintenance Program. The Automatic Grade Crossing Protection Maintenance Fund was established in 1965 by the State Legislature to pay the locals' share of the cost for maintaining automatic grade crossing protection devices installed by the railroad corporations after October 1, 1965. Initially, the \$1 million annually appropriated for maintenance of warning devices was sufficient to cover all claims filed by the railroad and street railroad corporations. In 1973, changes to the federal grade crossing protection funding program resulted in the increased installation and upgrading of automatic grade crossing protection devices. Consequently claims began exceeding the funds available in Calendar Year 1977 and thereafter. The maintenance fund claims for the five-year period between FY 1997-98 and FY 2000-01 have averaged \$4.38 million per year. The

maintenance fund claims for calendar year 2001 are expected to be about \$4.35 million for 2,975 crossings.

The cities' and counties' share for maintaining automatic grade crossings, which is paid for by the State through this grade crossing maintenance program, represents typically only 50% of the total project cost; the remaining 50% is borne by the railroad corporations. This 50-50-payment split is based on the premise that rail and highway users equally share the crossing and should therefore equally share the cost of maintaining the crossing devices, unless prescribed otherwise by the PUC. Thus, the requested \$4.25 million in state funds would leverage up to \$4.25 million in railroad corporation funds, which together are used to offset grade crossing maintenance costs.

Over the years, the Commission has approved the PUC's request and, when warranted, increased the amount to the level requested. Last year the Commission approved a set-aside of \$4.25 million. This year the PUC is requesting that the Commission recommend a set aside of \$4.25 million for the FY 2003-04 Budget Year.

#### Attachments

rc\ww60\02ctcmgt\1002-4.5mrrgradexingres.doc

**PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Consumer Protection and Safety Division  
Rail Crossing Engineering Section

Resolution SX-50  
October 24, 2002

**RESOLUTION**

RESOLUTION SX-50 RECOMMENDATION TO THE CALIFORNIA  
TRANSPORTATION COMMISSION TO SET ASIDE THE FUNDING  
FOR MAINTAINING AUTOMATIC GRADE - CROSSING  
PROTECTION DEVICES UNDER PUBLIC UTILITIES CODE SECTION  
1231.1

---

**Summary**

This resolution recommends to the California Transportation Commission (CTC) to set aside the sum of \$4,250,000 for the 2003-2004 fiscal year. The funding is for the purpose of paying the local governments' share of the cost of maintaining automatic grade crossing warning devices.

**Background**

The Grade Crossing Protection Maintenance Fund was established by the Legislature in 1965 to pay railroads corporations the share of the cost of maintaining automatic protective devices installed or upgraded after October 1, 1965. The Public Utilities Code Section 1231.1 requires the Department of Transportation (CALTRANS) to set aside a minimum of \$1,000,000 for allocation to the Public Utilities Commission (PUC).

In 1998, an amendment to Public Utilities Code Section 1231.1<sup>1</sup> was enacted which specifies that the PUC may recommend a sum greater than \$1,000,000 be set aside if it finds that the \$1,000,000 is not sufficient due to an increase in the number of grade -

---

<sup>1</sup> AB 3065, (Polanco) September 29, 1988.

crossing warning devices or an increase in the cost of maintenance of those devices. The specific amount of the total allocation shall be determined by the CTC.

## Discussion

When the automatic grade-crossing protection maintenance fund was first established in 1965, the maximum annual allocation of \$1,000,000 was sufficient to cover all claims filed by railroad and street railroads corporations. However, the increase in the number of crossings protection devices caused claims to exceed the funds available for the calendar years 1977 and thereafter.

The railroads perform the required maintenance during a given calendar year, then file a claim with the PUC for reimbursement. These claims are paid from fiscal year budgets. For the past five years, claims and payments were as follows:

<u>CY*</u>	<u>FY*</u>	<u>No. of Crossings</u>	<u>Total Claims</u> (\$)	<u>Total Paid</u> (\$)
'97	97-98	3,033	4,330,149	4,250,000
'98	98-99	2,950	4,259,422	4,250,000
'99	99-00	3,104	4,465,069	4,250,000
'00.	00-01	3,087	4,489,062	4,250,000
'01	01-02	2,975	4,348,183	4,250,000

\*CY-Calendar Year

\*FY-Fiscal Year

The maintenance fund claims for calendar year 2002 are expected to be at or near the budgeted \$4,250,000 for FY 2002-2003. Therefore, an allocation of \$4,250,000 will be needed for the 2003-2004 fiscal year.

## Finding

For the 2003-2004 fiscal year, the sum of \$4,250,000 will be needed to pay the local governments' share of the costs of maintaining automatic grade-crossing warning devices.

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to Public Utilities Code Section 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

**THEREFORE, IT IS ORDERED that:**

In accordance with Public Utilities Code Section 1231.1, the Public Utilities Commission recommends to the California Transportation Commission that a sum of \$4,250,000 be allocated for the 2003-2004 fiscal year for the purpose of paying to railroad or street railroad corporations the share of the costs to cities and counties of maintaining automatic grade-crossing devices.

I hereby certify that this Resolution be adopted by the Public Utilities Commission at its regular meeting on October 24, 2002. The following Commissioners approved it:



WESLEY M. FRANKLIN  
Executive Director

LORETTA M. LYNCH  
President  
CARL W. WOOD  
GEOFFREY F. BROWN  
MICHAEL R. PEEVEY  
HENRY M. DUQUE  
Commissioners

CALIFORNIA TRANSPORTATION COMMISSION

Support Increasing the Allocation Set-Aside  
From \$1 Million to \$4.25 Million for the PUC's  
Railroad Grade Crossing Protection Maintenance Program

Resolution #G-02-\_\_

- 1.1 WHEREAS, the Automatic Grade Crossing Protection Maintenance Fund was established by the Legislature in 1965 (PUC Section 1231.1) to pay the cities' and counties' share of the cost of maintaining automatic grade crossing protection devices installed by railroad corporations after October 1, 1965; and
  - 1.2 WHEREAS, since 1967 a minimum of \$1 million per year has been appropriated by the State Legislature and allocated by the California Transportation Commission to the PUC for its Railroad Grade Crossing Protection Maintenance Program; and
  - 1.3 WHEREAS, in 1973 the federal law changed which resulted in the increased installation and upgrading of automatic grade crossing protection devices; and
  - 1.4 WHEREAS, the total claims submitted by the railroad corporations have substantially exceeded the \$1 million cap since 1977; and
  - 1.5 WHEREAS, the anticipated claims to be submitted to the PUC for FY 2003-04 are estimated to be about \$4.25 million, which exceeds the annual \$1 million cap by \$3.25 million; and
  - 1.6 WHEREAS, the Commission recognizes the importance of maintaining the grade crossing protection devices for increased safety on the transportation system.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the California Transportation Commission supports an additional \$3.25 million allocation set-aside for use in the PUC grade crossing protection maintenance program which would increase the total allocation set-aside to \$4.25 million, **providing** revenues are available in FY 2003- 04 from the State Highway Account.